

Message Text

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12

ACTION EB-06

INFO OCT-01 EA-06 ISO-00 AGR-05 CIAE-00 COME-00 INR-05

LAB-01 NSAE-00 RSC-01 SP-02 STR-01 TRSE-00 SWF-01

CIEP-01 FRB-01 OMB-01 L-01 /033 W

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R 290610Z OCT 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 7957

INFO AMEMBASSY TAIPEI

AMEMBASSY BANGKOK

AMEMBASSY SEOUL

AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L MANILA 12812

E.O. 11652: GDS

TAGS: ETRD, KS, TH, TW, RP

SUBJECT: STATUS OF OVERDUE COTTON CONTRACTS

REF: STATE 234898

1. EMBASSY STILL CONFIDENT PHILIPPINE MILLS WILL HONOR CONTRACTS AND OPEN OVERDUE L/CS, AND BELIEVES FURTHER OFFICIAL APPROACHES THIS MATTER WOULD BE COUNTER-PRODUCTIVE FOR TIME BEING. WHILE MILLS EXPERIENCING SEVERE FINANCIAL PROBLEMS, THEY ARE EXPECTED TO SURVIVE CURRENT SLOWDOWN IN DEMAND, PERHAPS WITH TEMPORARY BREAKS IN PRODUCTION. DELAY BE DEVELOPMENT BANK OF PHILIPPINES (DBP) IN OPENING L/CS UNDER CCC ALLOCATION IS POSING NO IHPEDIATEL PROBLEM TO MOST MILLS AS COTTON STOCKS RELATIVELY HIGH, ABOUT 50,000 BALES ON AUGUST 1, AND MILL CONSUMPTION AT SHARPLY REDUCED LEVELS.

2. DBP AND CENTRAL BANK HAVE ISSUED STERN WARNINGS TO MILLS CONCERNING SANCTITY OF CONTRACTS. BANKS POSITION OF NOT APPROVING ADDITIONAL IMPORTS, UNTIL OBLIGATIONS OF OVERDUE CONTRACTS ARE MET, HAS NOT CHANGED.

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SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, PRICES, CONTRACTS
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Draft Date: 29 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Exemptions: n/a
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Review Markings:

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30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
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